

**MEMORANDUM
PLACER COUNTY
SUCCESSOR AGENCY**

TO: Honorable Members of the Successor Agency Board
DATE: April 22, 2014
FROM: Allison Carlos, Successor Agency Officer, Designee
SUBJECT: Adopt a resolution authorizing the Successor Agency to enter into a Deed in Lieu of Foreclosure Agreement with B.B. LLC

ACTION REQUESTED

Adopt a Resolution authorizing the Successor Agency to enter into a Deed in Lieu of Foreclosure Agreement with B.B. LLC for Kings Beach properties (APNs 090-133-016, 090-133-018, 090-126-021, -022, -024; 090-133-003, -015, -005 through -011; 090-126-039 and 090-126-040) (the "Property").

BACKGROUND

The Placer County Successor Agency ("Successor Agency") is the current holder of four loans secured by deeds of trust on 16 parcels of real property owned by B.B. LLC in Kings Beach, California. B.B. LLC is in default under all four loans. The Steven and Candace Brown Trust (the "Trust") is the sole member and the manager of B.B. LLC. Steven K. Brown and Candace Brown are the Co-Trustees of the Trust, have authority to execute documents on behalf of B.B. LLC, and have indicated via communication by their attorney that they are amenable to signing a deed in lieu of foreclosure agreement. The aggregate outstanding principal amount of the four loans is approximately \$7.34 million. In 2010 B.B.LLC faced foreclosure on commercial bank loans. The former Redevelopment Agency (RDA) acquired three of the loans from the originating banks for the sum of \$4.25 million with the intention to maintain assembled properties to accommodate a proposed mixed use town center project. Further, there were Tahoe Regional Planning Agency reserved development commodities that the RDA did not want to see lost. The fourth loan was provided by the former RDA in the amount of \$500,000 to provide predevelopment financing. At present, property taxes are delinquent on the Property in the amount of approximately \$817,600. As of March 24, 2014, the aggregate amount owed for the three commercial loans was approximately \$10,208,000, including principal, accrued and unpaid regular and default interest, late charges, attorneys' fees, and other fees and costs. The aggregate amount owed for the predevelopment loan was approximately \$594,150, including principal, accrued interest and fees.

Last July, at the direction of your Board and the Oversight Board, staff initiated foreclosure proceedings while also seeking parties interested in acquiring and developing the Property. A deed in lieu was discussed as an option if the Property owner were amenable. At that time, the owner did not express interest in a deed in lieu agreement as the owner was pursuing potential purchase opportunities with interested parties. No agreement for purchase of the Property resulted.

Notices of Default were recorded on February 21, 2014, and Notices of Trustee Sales were recorded and published. Trustee sales for the Property were scheduled to take place on March 24, 2014. Prior to the scheduled date for the sales, the Property owner indicated interest in conveying the property to the Successor Agency by deed in lieu of foreclosure. Successor Agency staff and counsel have prepared a Deed in Lieu of Foreclosure Agreement ("Agreement"), and the Property owner and the owner's attorney have indicated the owner is ready to sign the Agreement.

The Successor Agency Board, the Oversight Board, and members of the community have expressed interest in maintaining the 16 parcels as an assembled site under unified ownership in order to facilitate development of a high-quality, project consistent with Kings Beach community and redevelopment plans.

A fundamental priority for the Kings Beach Town Center Site is the development of a catalyst project, consistent with the Tahoe Regional Planning Agency Regional plan, redevelopment plans, and area planning documents. The amended Long Range Property Management Plan approved by the Successor Agency on February 25, 2014 and by the Oversight Board on February 26, 2014, affirmed these goals, and provides that if the Property is acquired by the Successor Agency, it will be conveyed to the County for future development consistent with the foregoing plans. Under this scenario, the County would own and operate the Property on an interim basis while it seeks prospective developers. The proposed Deed in Lieu of Foreclosure Agreement includes the following terms:

- B.B. LLC will deliver grant deeds for all of the Property to the Successor Agency.
- B.B. LLC will pay the cost of an owner's policy of title insurance for the Successor Agency.
- B.B. LLC, Steven K. Brown, and Candace Brown jointly and severally will indemnify the Successor Agency and the County against liability arising in connection with the presence or release of hazardous materials in, on or from the Property.
- The Successor Agency agrees not to foreclose on the Property, and agrees not to exercise its rights and remedies against B.B. LLC and Steven K. and Candace Brown as guarantors of the loans, provided that no bankruptcy or legal challenge sets aside or invalidates the Deed in Lieu Agreement or the transfer of the Property to the Successor Agency.

Upon approval by your Board today and the Oversight Board, the Agreement will be executed and escrow will open pending approval by the California Department of Finance. The Successor Agency will continue to postpone, but not cancel, the Trustee Sales until the Agreement has received all necessary approvals and escrow closes.

ENVIRONMENTAL CLEARANCE

Approval of the Agreement does not require analysis under the California Environmental Quality Act (CEQA) because there is no possibility that approval of the Agreement will have a significant effect on the environment per Public Resources Code section 15061(b)(3). Any development project(s) that may be proposed in the future on the Property will be subject to County's normal development CEQA process.

FISCAL IMPACT

The Agreement will result in the cancellation of the loans and the transfer of the Property to the Successor Agency. The current value of the Property is estimated to be less than the outstanding aggregate amount of the debt. As noted above, property taxes are delinquent in the approximate amount of \$817,600. Ongoing expenditures to the Successor Agency related to the property for the period of time under ownership are expected to be covered as Recognized Enforceable Obligations or covered by rents collected.

Attachments: Resolution
Proposed Deed in Lieu of Foreclosure Agreement

Before the Governing Board of the Successor Agency to the Placer County Redevelopment Agency

In the matter of:

Adopt a Resolution authorizing the Successor Agency to enter into a Deed in Lieu of Foreclosure Agreement with B.B. LLC regarding Kings Beach properties (APNS 090-133-016, 090-133-018, 090-126-021, -022, -024; 090-133-003, -015, -005 through -011; 090-126-039 and 090-126-040)

Resol. No:

The following RESOLUTION was duly passed by the governing Board of the Successor Agency to the Placer County Redevelopment Agency at a regular meeting held on _____ by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest:
Clerk of said Board

Chair, Successor Agency Governing Board

WHEREAS, pursuant to Resolution No. 2012-025 adopted by the Placer County Board of Supervisors on January 24, 2012, upon dissolution of the Placer County Redevelopment Agency on February 1, 2012, the Successor Agency assumed the rights, obligations, and interests of the Redevelopment Agency;

WHEREAS, the Successor Agency is the current holder of four (4) loans (the "**Loans**") made to B.B. LLC, a California limited liability company ("**B.B. LLC**"), that are secured by the real property located in Kings Beach and known as Placer County Assessor's Parcel Numbers 090-133-016, 090-133-018, 090-126-021, -022, -024; 090-133-003, -015, -005 through -011; 090-126-039 and 090-126-040 ("**Property**");

WHEREAS, the Loans are: (1) a loan in the original principal amount of \$1,300,000 (the "First Central Bank Loan") originated by Central Pacific Bank in January 2008 and acquired by the Redevelopment Agency in October 2010; (2) a loan in the original principal amount of \$937,000 (the "Second Central Bank Loan") originated by Central Pacific Bank in March 2008 and acquired by the Redevelopment Agency in October 2010; (3) a loan in the original principal amount of \$2,750,000 originated by Umpqua Bank in February 2007, subsequently amended to modify the terms and increase the principal amount to \$4,600,000, and acquired by the Redevelopment Agency in November 2010 (the "Umpqua Loan"); and (4) a loan in the original principal amount of \$500,000 (the "Predevelopment Loan") originated by the Redevelopment Agency pursuant to a Predevelopment Loan Agreement dated as of June 12, 2008;

WHEREAS, B.B. LLC is in default under all of the Loans, and the Successor Agency has duly delivered and recorded Notices of Default with respect to such defaults;

WHEREAS, as of March 24, 2014, the aggregate amount owed under the First Central Bank Loan, the Second Central Bank Loan and the Umpqua Loan was approximately \$10,208,000, including principal, accrued and unpaid regular and default interest, late charges, attorneys' fees, and other fees and costs, and the aggregate amount owed under the Predevelopment Loan was approximately \$594,150, including principal, accrued interest and fees;

WHEREAS, the property taxes assessed against the Property are delinquent in the approximate amount of \$817,600;

WHEREAS, the current value of the Property is significantly less than the total outstanding indebtedness under the Loans;

WHEREAS, B.B. LLC has voluntarily offered to transfer the Property to the Successor Agency in consideration of the Successor Agency's agreement not to foreclose on its security interest in the Property and not to exercise its rights and remedies against B.B. LLC and the guarantors of the Loans;

WHEREAS, Successor Agency staff and B.B. LLC have negotiated a Deed in Lieu Agreement ("**Agreement**") that describes the terms and conditions for the conveyance of the Property to the Successor Agency.

NOW, THEREFORE, the Governing Board of the Successor Agency to the former Placer County Redevelopment Agency hereby:

1. Approves the Agreement, and authorizes the Successor Agency Officer or his designee to execute the Agreement on behalf of the Successor Agency substantially in the form presented to the Governing Board, subject to approval by the Placer County Oversight Board and California Department of Finance.
2. Approves the acceptance of the Property in accordance with the terms and conditions of the Agreement.
3. Authorizes the Successor Agency Officer or his designee to take such other actions and to execute such other instruments as necessary to carry out the intent of this Resolution, including without limitation, the execution and delivery of a Covenant Not to Sue substantially in the form attached to the Agreement and the execution and recordation of certificates of acceptance for the Property.

DEED IN LIEU OF FORECLOSURE AGREEMENT

THIS DEED IN LIEU OF FORECLOSURE AGREEMENT (this "**Agreement**") is made as of _____, 2014 ("**Effective Date**") by and among B.B. LLC, a California limited liability company (hereafter referred to as "**Borrower**" or "**BB LLC**"), the Successor Agency to the Placer County Redevelopment Agency, a public entity ("**Successor Agency**"), and Steven K. Brown (both in his individual capacity and in his capacity as co-trustee of the Steven and Candace Brown Trust, hereafter referred to as "**Steven Brown**") and Candace V. Brown (both in her individual capacity and in her capacity as co-trustee of the Steven and Candace Brown Trust, hereafter referred to as "**Candace Brown**"). Steven Brown and Candace Brown are referred to collectively herein as the "**Guarantors**." Borrower, Successor Agency and the Guarantors are collectively referred to herein as the "**Parties**."

RECITALS

- A. Borrower owns fee simple title to the land and the improvements thereon, located in Kings Beach, Placer County, California, and more particularly described in Exhibit A attached hereto and incorporated herein by reference (the "**Land**").
- B. Successor Agency is the holder of four (4) promissory notes evidencing loans (the "**Loans**") made to Borrower that are secured by, among other things, the Property. The Loans are the following:
 - (i) a loan in the original principal amount of \$1,300,000 (the "**First Central Bank Loan**") originated by Central Pacific Bank in January 2008 and acquired by the former Placer County Redevelopment Agency (the "**Redevelopment Agency**") in October 2010;
 - (ii) a loan in the original principal amount of \$937,000 (the "**Second Central Bank Loan**") originated by Central Pacific Bank in March 2008 and acquired by the Redevelopment Agency in October 2010;
 - (iii) a loan in the original principal amount of \$2,750,000 originated by Umpqua Bank in February 2007, subsequently amended to modify the terms and increase the principal amount to \$4,600,000, and acquired by the Redevelopment Agency in November 2010 (the "**Umpqua Loan**"); and
 - (iv) a loan in the original principal amount of \$500,000 (the "**Predevelopment Loan**") originated by the Redevelopment Agency pursuant to a Predevelopment Loan Agreement dated as of June 12, 2008.
- C. The Loans were made pursuant to, and are evidenced and secured by, the agreements, instruments, and documents identified in Exhibit B attached hereto (collectively, the "**Loan Documents**").

- D. In connection with the First Central Bank Loan, the Second Central Bank Loan and the Umpqua Loan, as applicable, the Guarantors executed and delivered the guaranty agreements listed as items 5 through 7, 12 through 14, and 30 through 38 in Exhibit B (the “**Guaranty Agreements**”).
- E. Pursuant to Resolution No. 2012-025 adopted by the Placer County Board of Supervisors on January 24, 2012, upon dissolution of the Redevelopment Agency on February 1, 2012, the Successor Agency assumed the rights, obligations, and interests of the Redevelopment Agency, including without limitation, the Redevelopment Agency's interests in the Loan Documents including the Guaranty Agreements.
- F. As of March 24, 2014, the aggregate amount owed to Successor Agency for the First Central Bank Loan, the Second Central Bank Loan and the Umpqua Loan was approximately Ten Million, Two Hundred and Eight Thousand Dollars (\$10,208,000), including principal, accrued and unpaid regular and default interest, late charges, attorneys' fees, and other fees and costs, and the aggregate amount owed to the Successor Agency for the Predevelopment Loan was approximately Five Hundred Ninety-Four Thousand, One Hundred and Fifty-three Dollars (\$594,153), including principal and accrued interest and fees.
- G. As of the date of this Agreement, the agreed upon value of the Property is approximately Six Million Dollars (\$6,000,0000), an amount that does not exceed the total outstanding unpaid principal of, interest accrued and unpaid on, and other outstanding indebtedness due and owing under the Loan Documents.
- H. As of the date of this Agreement, property taxes assessed against the Property are delinquent in the approximate amount of Eight Hundred and Seventeen Thousand, Six Hundred and Sixteen Dollars (\$817,616).
- I. As a result of, among other things, failure to timely pay property taxes assessed against the Property and failure to timely make payments of principal and interest due on the Loans, Borrower is in default under the Loan Documents. As a result of such default, the Loans have been accelerated, and the total outstanding principal balance of the Loans, together with all accrued and unpaid interest thereon, is now due and owing.
- J. Borrower has voluntarily offered to transfer the Property (as defined in Section 2 below) to Successor Agency and to deliver certain agreements and documents to Successor Agency, in consideration of Successor Agency's agreement not to foreclose on its security interest in the Property and not to exercise its rights and remedies against Borrower and the Guarantors, and Successor Agency has agreed to accept such offer on the terms and conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **INCORPORATION OF RECITALS.** The Parties acknowledge the truth of the foregoing Recitals, which are by this reference incorporated into this Agreement.

2. **TRANSFER OF PROPERTY.** Borrower agrees to sell, grant, transfer, assign, and convey to Successor Agency, and Successor Agency agrees to acquire from Borrower, absolutely and free of any right of redemption or other right or interest of Borrower or anyone claiming by, through, or under Borrower, the following real and personal property (collectively, the "**Property**"):

(a) Real Estate. Good, valid, indefeasible, and marketable fee simple title to the Land; the improvements located on the Land (the "**Improvements**"); all of Borrower's right, title, and interest in and to any easements, rights, tenements, and appurtenances belonging or appurtenant to the Land and Improvements; and all of Borrower's right, title, and interest in and to any streets, alleys, or public rights-of-way adjacent to the Land and Improvements (collectively, the "**Real Estate**").

(b) Leases. All of Borrower's right, title, and interest as lessor in all leases, licenses, and other agreements to occupy the Real Estate, together with all rents and other sums due, accrued, or to become due under each such lease, license, and agreement; all rents that are received and allocable to periods following the "Closing Date" (as defined in Section 5.1); all guaranties by third parties of the tenants' obligations under such agreements; and all tenant security deposits and other deposits paid in connection with any of the foregoing agreements (all of the foregoing collectively, the "**Leases**").

(c) Plans and Specifications; Warranties. All of Borrower's right, title, and interest in and to all plans and specifications relating to the Improvements and/or prepared in connection with the proposed development or redevelopment of the Property, including without limitation, conceptual plans, drawings, development alternatives, development and operating budgets and pro formas, and studies and analyses prepared in connection with anticipated review of the proposed development of the Property pursuant to the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA) (all of the foregoing, collectively, "**Plans and Specifications**") and all unexpired claims, warranties, and guarantees, if any, received in connection with the construction or equipping of the Improvements, if and to the extent assignable (collectively, the "**Warranties**").

(d) Assigned Contracts. All of Borrower's right, title, and interest in and to the service, supply, and maintenance contracts and equipment leases listed in Exhibit C-1 (collectively, "**Assigned Contracts**").

(e) Licenses and Permits. All of Borrower's right, title, and interest in and to the licenses, permits, entitlements and development rights (including, without

limitation, those listed on Exhibit C-2) issued by any federal, state, county, regional, or other governmental authority relating to the use, maintenance, operation, or development of the Real Estate and running to, or in favor of, Borrower and/or the Real Estate, if and to the extent assignable (collectively, the "**Licenses and Permits**").

(f) Personal Property. All of Borrower's right, title, and interest in and to other tangible and intangible personal property, equipment, and supplies located at, or used in connection with the development, leasing, management, use, and/or operation of, the Real Estate, including the items listed on Exhibit C-3 and logos, trade styles, trade names, brochures, manuals, lists of prospective tenants, advertising material, assignable utility contracts, and assignable telephone numbers, but specifically excluding tangible personal property owned by tenants.

3. ACKNOWLEDGEMENT OF DEFAULT; CONSIDERATION; ENVIRONMENTAL CONDITION.

3.1 Acknowledgement of Default. Borrower acknowledges that Borrower is in default under its obligations under the Loans and the notes evidencing the same, and that the entire unpaid principal balance of the Loans, together with interest thereon and other charges payable thereunder, is immediately due and payable to Successor Agency without offset, defense or counterclaim.

3.2 Covenant Not to Sue. In consideration for the transfer of the Property from Borrower to Successor Agency, and subject to the terms and conditions set forth herein, Successor Agency agrees that it shall deliver to Borrower and the Guarantors a Covenant Not to Sue substantially in the form of Exhibit E attached hereto (the "**Covenant Not to Sue**").

3.3 Environmental Condition. By not later than five (5) days following the Effective Date of this Agreement, Borrower shall deliver to Successor Agency copies of all studies, assessments and reports relating to the presence of Hazardous Materials on the Property and the Property's compliance with Environmental Laws, including without limitation, all Phase 1 and Phase 2 reports, all remediation action plans, and all findings and determinations issued by any state, federal or regional agency (collectively, "**Environmental Documents**"). Prior to the Closing Date, Successor Agency shall have the right to undertake inspections and testing of the Property at Successor Agency's expense. Successor Agency reserves the right to terminate this Agreement if prior to the Closing Date, Successor Agency determines in the exercise of its sole discretion that the environmental condition of the Property is unsatisfactory.

3.3.1 Definitions.

(a) Hazardous Materials. As used in this Agreement, "**Hazardous Materials**" means any chemical, compound, material, mixture, or substance that is now or may in the future be defined or listed in, or otherwise classified pursuant to any Environmental Laws (defined below) as a "hazardous substance", "hazardous

material", "hazardous waste", "extremely hazardous waste", infectious waste", toxic substance", toxic pollutant", or any other formulation intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, or toxicity. The term "Hazardous Materials" shall also include asbestos or asbestos-containing materials, radon, chrome and/or chromium, polychlorinated biphenyls, petroleum, petroleum products or by-products, petroleum components, oil, mineral spirits, natural gas, natural gas liquids, liquefied natural gas, and synthetic gas usable as fuel, perchlorate, and methyl tert butyl ether, whether or not defined as a hazardous waste or hazardous substance in the Environmental Laws.

(b) Environmental Laws. As used in this Agreement, "**Environmental Laws**" means any and all federal, state and local statutes, ordinances, orders, rules, regulations, guidance documents, judgments, governmental authorizations or directives, or any other requirements of governmental authorities, as may presently exist, or as may be amended or supplemented, or hereafter enacted, relating to the presence, release, generation, use, handling, treatment, storage, transportation or disposal of Hazardous Materials, or the protection of the environment or human, plant or animal health, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. § 9601), the Hazardous Materials Transportation Act (49 U.S.C. § 1801 *et seq.*), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 *et seq.*), the Federal Water Pollution Control Act (33 U.S.C. § 1251 *et seq.*), the Clean Air Act (42 U.S.C. § 7401 *et seq.*), the Toxic Substances Control Act (15 U.S.C. § 2601 *et seq.*), the Oil Pollution Act (33 U.S.C. § 2701 *et seq.*), the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 11001 *et seq.*), the Porter-Cologne Water Quality Control Act (Cal. Water Code § 13000 *et seq.*), the Toxic Mold Protection Act (Cal. Health & Safety Code § 26100, *et seq.*), the Safe Drinking Water and Toxic Enforcement Act of 1986 (Cal. Health & Safety Code § 25249.5 *et seq.*), the Hazardous Waste Control Act (Cal. Health & Safety Code § 25100 *et seq.*), the Hazardous Materials Release Response Plans & Inventory Act (Cal. Health & Safety Code § 25500 *et seq.*), and the Carpenter-Presley-Tanner Hazardous Substances Account Act (Cal. Health and Safety Code, Section 25300 *et seq.*).

4. TITLE.

4.1 Owner's Title Policy. As a condition to Successor Agency's obligation to close and deliver the Covenant Not to Sue, Successor Agency shall receive from Placer Title Company ("**Title Company**") an ALTA Owner's Policy of Title Insurance ("**Title Policy**") dated as of the Closing Date, naming Successor Agency as the insured, showing fee simple title to the Real Estate vested in Successor Agency and subject only to the Loan Documents of record and the other matters set forth on Exhibit D (collectively, "**Permitted Exceptions**"). The Title Policy must: (a) insure as separate parcels any easements appurtenant to the Real Estate, (b) be in the amount of the indebtedness evidenced by the Notes that is outstanding on the Closing Date (or such lesser amount as Successor Agency shall accept in its discretion), (c) provide full extended coverage insurance over all general exceptions set forth in such policy (other than matters which would be deleted by delivery of a current plat of survey), and (d)

include such other endorsements as Successor Agency may reasonably require, including without limitation a "non-merger" endorsement.

4.2 Lender's Title Policy. At Successor Agency's election, it shall also be a condition to closing and delivery of the Covenant Not to Sue that Successor Agency shall receive a date-down endorsement and a non-merger endorsement for its existing Lender's title policy (the "**Loan Policy Endorsements**").

4.3 Borrower Cooperation. Borrower and Guarantors agree to cooperate with Successor Agency and Title Company in order to permit Successor Agency to obtain the Title Policy and endorsements as provided for herein.

5. CLOSING.

5.1 Closing. Provided that all terms and conditions contained in this Agreement have been timely satisfied, the closing of the transaction contemplated by this Agreement (the "**Closing**") shall take place on a date (the "**Closing Date**") mutually acceptable to the Parties through an escrow with the Title Company pursuant to the terms of this Agreement and such additional instructions as the Parties may provide that are consistent with this Agreement. The Parties shall have the right to inspect all documents before, at the time of, and after their deposit in the escrow.

5.2 Failure to Close. The Parties acknowledge and agree that if the Closing fails to occur for any reason, including without limitation, the failure to perform any of the pre-Closing obligations under this Agreement, then such failure shall not constitute a default or breach under this Agreement and no Party shall have any liability to any other Party as a result of such failure; provided however, if the Closing does not occur by September 30, 2014 (the "**Outside Closing Date**"), the Covenant Not to Sue shall automatically terminate and the Successor Agency shall be entitled to pursue all rights and remedies available under the Loan Documents. Notwithstanding the foregoing, if the Closing has not occurred by the Outside Closing Date due to action or failure to act by the California Department of Finance, the Parties agree to meet and confer to discuss an extension of the Outside Closing Date or an alternate course of action.

5.3 Closing Deliveries and Actions. The following deliveries and/or actions shall be effected through the escrow established for the Closing.

5.3.1 Transfer Documents. The following documentation for the transfer of the Property shall be duly authorized, properly executed, acknowledged (if applicable), and/or delivered:

(i) Deeds. Borrower shall execute (such execution to be acknowledged by a notary public) and deliver to Title Company, Deeds in Lieu of Foreclosure (the "**Deeds**") in the form of Exhibit E, conveying fee simple to the Real Estate to Successor Agency, subject only to the deeds of trust securing the Loans and the other Loan Documents of record, the

Permitted Exceptions, and such other exceptions to title as Successor Agency may approve in writing in Successor Agency's sole discretion.

(ii) Bill of Sale. Borrower shall execute and deliver to Title Company a Bill of Sale in form and substance satisfactory to Successor Agency, transferring to Successor Agency all personal property to be conveyed to Successor Agency pursuant to Section 2.

(iii) Assignment and Assumption of Leases, Rents, Security Deposits and Contracts. Borrower and Successor Agency shall each execute and deliver to Title Company a counterpart original Assignment and Assumption Agreement in form and substance approved by Successor Agency, transferring to Successor Agency all Leases, Rents, Security Deposits, Assigned Contracts, Warranties, and Licenses and Permits.

(iv) Non-Foreign Status Certificate. Borrower shall execute and deliver to Title Company a Non-Foreign Status Certificate and such other documents as Title Company may require.

(v) Rent Roll Certificate. Borrower shall execute and deliver to Title Company a Rent Roll Certificate including a schedule of the Leases. The rent roll shall be in substantially the same form as the rent roll provided to Successor Agency prior to the date of this Agreement.

(vi) Tenant Letters. If required by Successor Agency, Borrower shall execute and deliver to Title Company letters to the tenants of the Property in form approved by Successor Agency notifying the tenants of the change of ownership of the Property.

(vii) Estoppel Certificates. If applicable, estoppel certificates shall be executed by each nonresidential tenant of the Property in the form required under the applicable Leases.

(viii) Transfer Declarations. Borrower shall complete, execute, and deliver to Title Company all applicable State and County transfer or exemption declarations. If the declarations have been properly completed, Successor Agency shall execute such declarations if legally required.

5.3.2 Title Documents. The following title, transfer, and original documentation and other matters shall be duly authorized, properly executed, acknowledged (if applicable), and/or delivered:

(i) Title Policy. Successor Agency shall have received a commitment from the Title Company to issue the Title Policy (as defined in Section 4.1 above) to Successor Agency at Closing in form approved by the Successor Agency.

(ii) Loan Policy Endorsements. Successor Agency shall have received a commitment from the Title Company to issue the Loan Policy Endorsements (described in Section 4.2 to Successor Agency at Closing.

(iii) Title Affidavits and Indemnities. Borrower shall execute and deliver to Title Company in the form required by Title Company: (a) an Owner's Affidavit and Indemnity; (b) an Indemnification Agreement (regarding mechanics' liens); and (c) a GAP undertaking and affidavit reasonably satisfactory to Title Company so as to permit issuance of the Title Policy and Loan Policy Endorsements on the Closing Date.

(iv) Searches. If required by Successor Agency, Borrower shall deliver to Successor Agency, or Successor Agency shall have obtained, Uniform Commercial Code financing statement, tax lien, and judgment searches of Borrower and the Guarantors dated not earlier than thirty (30) days prior to Closing, issued by a search company acceptable to Successor Agency confirming the existence of no financing statements filed against the Property (except in connection with the Loans), tax liens (against the Property, Borrower, or Guarantor) or judgments (against the Property, Borrower, or Guarantor) other than the Permitted Exceptions.

5.3.3 Original Property Documents. By not later than five (5) days following the Effective Date of this Agreement, Borrower shall deliver, or shall instruct the keeper of such items to deliver within such time period, copies of the following documents to Successor Agency: (i) the Leases; (ii) the Assigned Contracts; (iii) the Licenses and Permits; (iv) the Warranties; (v) the Plans and Specifications; (vi) the Environmental Documents; and (vii) all books, records, bills, invoices, lease files, credit reports, and other documents related to the ownership, operation, management, use, maintenance, or leasing of the Property. Originals of all of the foregoing shall be delivered to the Successor Agency at Closing, or for any such items not physically delivered to Successor Agency on or before the Closing Date, Borrower shall provide a letter to Successor Agency stating where such items are located, and a letter from Borrower to the keeper of such items, directing the keeper to release all such items to Successor Agency.

5.3.4 Borrower Documents. The following documents shall be delivered to Successor Agency:

(i) Operating Agreement and Certificates. By not later than five (5) days following the Effective Date of this Agreement, Borrower shall deliver to Successor Agency: (a) a copy of Borrower's operating agreement, certified by Borrower's manager and members as to its accuracy and completeness, (b) a copy of Borrower's articles of organization (LLC-1), certified by the California Secretary of State, and (c) a certificate of status issued by the California Secretary of State and dated

not earlier than six months prior to the Effective Date. Prior to the Closing Date, Borrower shall deliver to Successor Agency: (x) an updated certificate as to Borrower's operating agreement, (y) a copy of Borrower's articles of organization (LLC-1) certified by the California Secretary of State not earlier than thirty (30) days prior to the Closing Date, and (z) a certificate of status issued by the California Secretary of State and dated not earlier than thirty (30) days prior to the Closing Date.

(ii) Intentionally omitted.

(iii) Other Deliveries. Borrower shall deliver the following to the Successor Agency at Closing:

(a) Security and Other Deposits. Borrower shall deliver (with such assignments as Successor Agency shall require) to Successor Agency all cash and noncash security and other deposits and any interest required by law or agreement to be paid thereon.

(b) Possession. Borrower shall deliver possession of the Property to Successor Agency, subject to the rights of existing tenants and the Permitted Exceptions.

(c) Keys to Improvements. Borrower shall deliver to Successor Agency all keys to the Improvements or a letter executed by Borrower to the keeper of the keys directing such keeper to deliver the keys to Successor Agency.

(d) Evidence of Termination. Borrower shall deliver to Successor Agency evidence of termination (at no cost to Successor Agency and free of all liens or claims for liens by reason of the terminated agreements) of all (a) management, brokerage, and leasing commission agreements, and (b) service and maintenance contracts that are not Assigned Contracts.

(e) Miscellaneous Waivers. Borrower shall deliver to Successor Agency lien waivers and lien releases from each person who, pursuant to applicable law or agreement, may have a right to a lien on the Property as a result of work or services performed or materials provided to, or for the benefit of, the Property.

(f) Additional Consents. Borrower shall deliver to Successor Agency consents from all persons whose consent is required for Borrower to consummate the Closing.

(g) Settlement Statement. Borrower and Successor Agency shall jointly execute and deliver a settlement statement.

5.4 Expenses of Closing; Payment for Title Policy. The Parties shall each pay their own expenses in connection with the Closing; provided however, the cost of the Title Policy and Loan Policy Endorsements shall be paid by Borrower to Title Company at Closing.

6. BORROWER'S COVENANTS.

6.1 Cooperation. On Successor Agency's request, Borrower will cooperate with Successor Agency and any management company designated by Successor Agency to facilitate an orderly transfer of the ownership and management of the Property.

6.2 Inspection and Audit. Borrower will permit Successor Agency to audit and review Borrower's books and records related to the Property.

6.3 Rent Collections. Borrower agrees that in the event Borrower receives any rental payment or other payment from any tenant or other occupant or user of the Property after the Closing, Borrower will deliver such funds to Successor Agency, with proper endorsements, not later than five (5) days after receipt of such funds.

6.4 No Liens or Encumbrances. Borrower will not permit any lien or encumbrance or other instrument to be recorded against the Property prior to Closing without Successor Agency's express prior written consent.

7. REPRESENTATIONS AND WARRANTIES; INDEMNITY; RELEASE.

7.1 Representations and Warranties of Borrower and Guarantor. Borrower and each Guarantor represents and warrants to Successor Agency as follows, which representations and warranties shall survive the execution, delivery and recordation of the Deeds and the consummation of the transactions contemplated hereby. If Borrower or any Guarantor becomes aware prior to the Closing of any fact or circumstance that would render false or misleading any representation or warranty made by Borrower or any Guarantor, then Borrower and the Guarantors shall immediately give written notice of such fact or circumstance to the Successor Agency, but any such notice shall not relieve the Borrower or the Guarantors of any liabilities or obligations with respect to any representation or warranty.

- (a) Organization and Authority. Borrower is a limited liability company that is duly organized, validly existing, and in good standing under the laws of the State of California. Borrower and the Guarantors have the right, power, and authority to execute this Agreement and to perform their respective obligations under this Agreement. The execution and delivery of this Agreement and all other documents delivered or to be delivered in connection herewith by Borrower and/or by the Guarantors (i) have been authorized by all necessary actions of Borrower and the

Guarantors, respectively, and (ii) when executed, will be the binding obligations of Borrower and the Guarantors, respectively. The execution, delivery, and performance of this Agreement and all other documents delivered or to be delivered by Borrower and the Guarantors in connection herewith, do not breach, conflict with, or contravene: (a) Borrower's operating agreement or organizational documents; (b) any agreement, instrument, document, or indenture to which Borrower or any Guarantor is a party or by which they or the Property is bound; (c) any applicable law; or (d) any judgment, writ, or order directed to Borrower or any Guarantor or by which Borrower or any Guarantor may be bound.

Without limiting the generality of the statements in the preceding paragraph, Borrower and each Guarantor hereby represents and warrants that: (A) no person or entity has any option, right of first refusal, or any other right to purchase, or in any other manner use or acquire the Property or any part thereof or interest therein, (B) except as disclosed in writing to Successor Agency, no person or entity has any license, easement, leasehold or other interest in the Property or any part thereof, or any option to acquire any such interest, (C) there is no pledge or similar agreement regarding the assets of Borrower that would contradict, impede, or interfere with the conveyance of the Property or any part thereof to Successor Agency pursuant to this Agreement, (D) the persons executing this Agreement and all other documents delivered or to be delivered in connection herewith on behalf of Borrower and the Guarantors are duly authorized to execute such documents, and no consent by any other person or entity is necessary in connection with the execution and performance of this Agreement by Borrower and the Guarantors.

- (b) Bankruptcy. Neither any Guarantor nor Borrower has filed a petition in any case, action, or proceeding under the U.S. Bankruptcy Code or any similar state law. No party has filed a petition in any case, action, or proceeding under the Bankruptcy Code or any similar state law against Borrower or any Guarantor that has not been dismissed or vacated. Neither Borrower nor any Guarantor has filed an answer or otherwise admitted in writing insolvency or inability to pay their debts, made an assignment for the benefit of creditors, or consented to an appointment of a receiver or trustee of all or a material part of their property. The transaction contemplated in this Agreement is not a preference, voidable transfer, or fraudulent conveyance or otherwise in violation of the Bankruptcy Code or any other similar state or federal law.
- (c) Absence of Litigation. Neither Borrower nor any Guarantor has received any written notice of, nor is there pending or, to the best of Borrower's and the Guarantors' knowledge, threatened, any litigation or

administrative proceeding involving in any manner the Property or the ownership, leasing, operation, management, use, or maintenance of the Property or this transaction.

- (d) Arm's Length Transaction. Borrower and the Guarantors have requested conveyance of title to the Property in lieu of the exercise of Successor Agency's remedies under the Loan Documents, and throughout the negotiation, preparation, and execution of this Agreement have been, and will through the Closing be, represented by competent legal counsel of their own choosing. This Agreement was entered into out of the free will of Borrower and the Guarantors and pursuant to arm's length negotiations. Borrower and the Guarantors believe this Agreement is fair. Successor Agency has not taken advantage of Borrower or the Guarantors by threats, intimidation, overreaching, unconscionable conduct, or otherwise, and Borrower and the Guarantors are proceeding in this transaction as volunteers in what they perceive to be their own best interest.
- (e) No Broker. Borrower and the Guarantors have had no dealings with any real estate broker, agent, or finder that is entitled to a commission, fee, or other compensation in connection with the conveyance of the Property contemplated by this Agreement.
- (f) Property Value. The value of the Property does not exceed the indebtedness owing to Successor Agency under the Loan Documents.
- (g) No Intent to Hinder, Delay, or Defraud. Borrower is not consummating the transaction contemplated by this Agreement with any intent to hinder, delay, or defraud any party to whom Borrower is now indebted or may hereafter become indebted.
- (h) No Underground Tanks; No Release of Hazardous Materials. Except as disclosed in the Environmental Documents (defined in Section 3.3 above) delivered to Successor Agency, neither Borrower nor any Guarantor has used or installed, or is aware of the existence of, any underground tank on the Property. Neither Borrower nor any Guarantor has used any portion of the Property for the release, dumping, storage, processing, disposal or use of Hazardous Materials. Other than as disclosed in the Environmental Documents delivered to Successor Agency, Borrower and the Guarantors are not aware of the presence, release or discharge of Hazardous Materials in, upon, on or below any portion of the Property, including, but not limited to, soils and ground or surface water in and around the Property.
- (i) No Violations; No Notice. To the best knowledge of Borrower and the Guarantors, as of the Effective Date the Property is not, and as of the

Closing Date, the Property will not be, in violation of any federal, state or local law, ordinance or regulation relating to industrial hygiene or to the environmental conditions on, or under or about the Property, including, but not limited to, soil and ground water conditions. Neither Borrower nor any Guarantor has received any notice of, nor has any independent knowledge that there is any proceeding or inquiry by any governmental agency or authority (including, without limitation, the California State Department of Toxic Substances Control) with respect to the presence of Hazardous Materials on the Property or the migration of Hazardous Materials from or to the Property.

- (j) Disclosure. Borrower and the Guarantors have disclosed to the Successor Agency any and all matters known to Borrower or any Guarantors that may have a material adverse impact on the Property and the Successor Agency's ability to use and/or develop the Property. All of the documents and materials supplied by Borrower and the Guarantors to the Successor Agency are in all material respects true, accurate and complete, and except as provided in writing to the Successor Agency, neither Borrower nor the Guarantors have knowledge of any facts that would render any information in such documents and materials untrue in any significant respect.

7.2 Indemnity. Borrower and the Guarantors, jointly and severally, agree to indemnify, defend, and hold the Successor Agency, the County of Placer, a political subdivision of the State of California ("**County**"), and their respective elected and appointed officers, officials, employees, agents, representatives, and successors and assigns (all of the foregoing, collectively, the "**Indemnitees**") harmless from and against any and all losses, liabilities, claims, damages, costs, actions, demands, judgments, and expenses (including without limitation attorneys' fees) of every character, kind, nature, and type (e.g., whether legal or equitable, known or unknown, suspected or unsuspected, contingent or fixed) arising, directly or indirectly, out of or in connection with: (a) the breach by Borrower or any Guarantor of any representation or warranty contained in this Agreement or in the documents executed and delivered, or to be executed and delivered, by Borrower or the Guarantors pursuant to or in connection with this Agreement or the transactions contemplated by this Agreement (collectively, "**Borrower Documents**"), or (b) any default by Borrower or any Guarantor under any Borrower Document, or (c) the presence or release of Hazardous Materials in, on, under, or about the Property except to the extent caused by the negligence or wilful act of the Indemnitees. Upon demand by Successor Agency or County, Borrower and the Guarantors shall defend any action or proceeding brought against the Successor Agency and/or the County in connection with any of the foregoing, or Successor Agency and/or County may elect to conduct its own defense at the expense of Borrower and the Guarantors. In any event, Borrower and the Guarantors shall promptly reimburse Successor Agency and County in full for all costs reasonably incurred by Successor Agency and/or County in investigating, preparing, or defending any action or proceeding, commenced or threatened, in connection with any of the foregoing matters, or incurred in settlement of any such action or proceeding (whether

commenced or threatened). This Section 7.2 shall survive the recordation of the Deeds, the termination of this Agreement and the consummation of the transactions contemplated hereby and shall inure to the benefit of any assignee or successor in interest to the Successor Agency or the County.

7.3 Release.

(a) Borrower and each Guarantor, and the successors and assigns of each of the foregoing, do hereby forever release, discharge, and acquit the Successor Agency and the County and their respective elected and appointed officers, officials, agents, employees and representatives, and the successors and assigns of each of the foregoing (all of the foregoing, the "**Releasees**"), of and from any and all claims, demands, obligations, liabilities, indebtedness, breaches of contract, breaches of duty, acts, omissions, misfeasance, malfeasance, causes of action, debts, sums of money, accounts, compensations, contracts, controversies, damages, costs, losses, and expenses (including without limitation, attorneys' fees), of every type, kind, nature, description, or character, and irrespective of how, why, or by reason of what facts, whether heretofore, now existing, or hereafter arising, or that could, might, or may be claimed to exist, of whatever kind or name, whether known or unknown, suspected or unsuspected, liquidated or unliquidated, each as though fully set forth herein at length, that in any way arise out of, are connected with, or relate to: (i) the Loans, the Loan Documents, or this Agreement; or (ii) any documents executed in connection with or any transactions contemplated by the Loans, the Loan Documents, or this Agreement. The matters referred to in the preceding clauses (i) and (ii) are hereafter collectively referred to as the "**Subject Matter**." The release provided pursuant to this Section 7.3 is referred to herein as the "**Release**."

(b) As further consideration for this Release, Borrower and each Guarantor hereby agrees, represents, and warrants that the matters released herein are not limited to matters that are known or disclosed, and Borrower and each Guarantor hereby waives any and all rights and benefits that it now has, or in the future may have, conferred upon it by virtue of the provisions of Section 1542 of the Civil Code of the State of California, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

In this connection, Borrower and each Guarantor each hereby agrees, represents, and warrants that such Party realizes and acknowledges that factual matters now unknown to such Party may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses, and expenses that are presently unknown, unanticipated, and unsuspected, and further agrees, represents, and warrants that this Release has been negotiated and agreed upon in light of that realization, and that each such Party nevertheless hereby intends to release, discharge,

and acquit the Releasees from any such unknown causes of action, claims, demands, debts, controversies, damages, costs, losses, and expenses that are in any way related to the Subject Matter.

 

Initials
Borrower



Initials
Steven K. Brown



Initials
Candace Brown

(c) Borrower and each Guarantor acknowledges that as a result of the consideration to be given by Successor Agency to Borrower and the Guarantors pursuant to this Agreement, Borrower and the Guarantors will receive reasonably equivalent value in exchange for the Property; and (ii) Borrower and the Guarantors are entering into this Release freely and voluntarily, and free from any coercion or duress, having received the advice of legal counsel. Borrower and each Guarantor hereby agrees, represents, and warrants that each has had advice of competent counsel of its own choosing in negotiations for and the preparation of this Release, that it has read this Release or has had the same read to it by its counsel, that it has had this Release fully explained by such counsel, and that it is fully aware of its contents and legal effect.

(d) This Section 7.3 shall survive the recordation of the Deeds, the termination of this Agreement and the consummation of the transactions contemplated hereby, and shall inure to the benefit of the Successor Agency and any assignee or successor in interest to the Successor Agency.

8. NO ASSUMPTION OF OBLIGATIONS TO THIRD PARTIES. Borrower and the Guarantors each acknowledge and agree that they do not intend that the transfer to Successor Agency of title to the Property under the terms of this Agreement shall create any obligations or liabilities on the part of Successor Agency to third parties that have claims against Borrower or any Guarantor with respect to the Property that accrued before the Closing. Successor Agency does not assume, or agree to discharge, any such obligations or liabilities.

9. ABSOLUTE CONVEYANCE. Borrower's conveyance of the Property to Successor Agency pursuant to this Agreement is an absolute conveyance of all of Borrower's right, title, and interest in and to the Property in fact as well as form, and is not intended as a mortgage, deed of trust, or security instrument of any kind, such that Borrower has no further interest (including rights of redemption) or claims in or to the Property.

10. MISCELLANEOUS.

10.1 Notices. All notices required or permitted to be given hereunder shall be in writing and mailed postage prepaid by certified or registered mail, return receipt requested, or delivered by personal delivery, or by recognized overnight courier, to the appropriate address indicated below or at such other place or places as a Party may, from time to time, designate in a written notice given to the other Parties. Notices shall

be deemed delivered three (3) days after the date of mailing thereof, or upon personal delivery, or upon delivery by overnight courier.

To Borrower:	B.B. LLC

	Attention: _____
To Guarantors:	Steven Brown and Candace Brown

To Successor Agency:	Placer County Successor Agency
	175 Fulweiler Avenue
	Auburn, CA 95603
	Attention: _____

10.2 Further Assurances. Whenever requested to do so by another Party, each Party shall execute, acknowledge, and deliver any and all such further conveyances, assignments, confirmations, satisfactions, releases, powers of attorney, instruments of further assurance, approvals, consents, and any and all such further instruments and documents as may be necessary, expedient, or proper, in order to complete any and all conveyances, transfers, sales, and assignments contemplated by this Agreement, and to do any and all other acts and to execute, acknowledge, and deliver any and all documents as so requested in order to carry out the intent and purpose of this Agreement.

10.3 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties, and their successors, heirs, and assigns.

10.4 Litigation Costs. If any Party commences an action against another Party to enforce any of the terms hereof or because of the breach by any Party of any of the terms hereof, the Prevailing Party (as hereinafter defined) in such action shall be entitled to recover its attorneys' fees and costs and expenses incurred in connection with the prosecution or defense of such action, including any appeal thereof, in addition to all other relief. "Prevailing Party" within the meaning of this Section 10.4 shall include, without limitation, a Party who brings an action against another Party for sums allegedly due or performance of covenants allegedly breached and obtains substantially the relief sought by it in the action. This Section 10.4 shall survive the recordation of the Deeds and the termination of this Agreement, and shall inure to the benefit of the successors and assigns of the Parties.

10.5 Integration. This Agreement, the Exhibits attached hereto, and the agreements and documents referred to herein set forth the entire agreement and understanding of the Parties with respect to the subject matter hereof. The only consideration for the execution of this Agreement is the consideration expressly recited herein. No other promise or agreement of any kind or nature has been made to or with the Parties by any person or entity whatsoever to cause them to sign this Agreement.

10.6 Amendment. This Agreement may not be amended or modified except by a written instrument executed by an authorized representative of each Party.

10.7 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

10.8 Severability. If any term or provision of this Agreement shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby.

10.9 Waivers. No waiver or breach of any covenant or provision herein contained shall be deemed a waiver of any other covenant or provision herein contained, and no waiver shall be valid unless in writing and executed by the waiving party. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.

10.10 Construction. The section titles in this Agreement are used for convenience only and are not to be used to interpret this Agreement. The singular form shall include the plural and the masculine shall include the feminine and vice versa. This Agreement shall not be construed as if it had been prepared by one of the Parties, but rather as if all Parties have prepared the same. All exhibits referred to in this Agreement are attached hereto and incorporated into this Agreement by this reference.

10.11 No Merger; Survival. Borrower agrees and acknowledges that its entry into this Agreement, the Deeds and the other documents contemplated hereby shall not result in a merger of Successor Agency's interests under the deeds of trust that secure the Loans with Successor Agency's interests under the Deeds. The terms, covenants, representations, and warranties of this Agreement shall not merge into the Deeds but shall survive the close of the transaction contemplated hereby.

10.12 No Partnership. Nothing contained in this Agreement or in any of the documents executed in connection herewith is intended to or shall be deemed to create a partnership, joint venture, or any fiduciary relationship among the Parties.

10.13 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of such counterparts, taken together, shall constitute one and the same instrument.

SIGNATURES ON FOLLOWING PAGES.

IN WITNESS WHEREOF, the Parties have executed this Deed in Lieu of Foreclosure Agreement as of the date first written above.

BORROWER:

B.B. LLC, a California limited liability company

By: The Steven and Candace Brown Trust
under Trust Agreement executed on March 7, 1979

Its: Sole Member and Manager

By: _____
Steven K. Brown, Co-Trustee, The Steven and Candace Brown Trust

By: _____
Candace V. Brown, Co-Trustee, The Steven and Candace Brown Trust

GUARANTORS:

Steven K. Brown, in his individual capacity

Steven K. Brown in his capacity as Co-Trustee of the Candace and Steven Brown Trust

Candace V. Brown, in her individual capacity

Candace V. Brown in her capacity as Co-Trustee of the Candace and Steven Brown Trust

SUCCESSOR AGENCY:

Successor Agency to the Placer County Redevelopment Agency

By: _____

Print Name: _____

Title: _____

Attest: _____

Approved as to form: _____

Exhibit A

LAND

[Legal descriptions to be added.]

The real property located in Kings Beach, Placer County, California and known as Placer County Assessor's Parcels Numbers:

090-133-016
090-133-018
090-126-039
090-126-040
090-126-021
090-126-022
090-126-24 (ptn)
090-133-033
090-133-005 through 090-133-011
090-133-015

Exhibit B

LOAN DOCUMENTS

First Central Bank Loan

- (1) Loan Agreement dated as of January 10, 2008 and executed by and between BB LLC and Central Pacific Bank.
- (2) Promissory Note in the original principal amount of \$1,300,000, dated as of January 10, 2008, executed by BB LLC for the benefit of Central Pacific Bank.
- (3) Deed of Trust dated as of January 10, 2008, executed by BB LLC as Trustor for the benefit of Central Pacific Bank and recorded in the Official Records of Placer County on January 11, 2008 as Instrument No. 08-002358.
- (4) Absolute Assignment of Leases, Lease Guaranties, Rents, Issues and Profits executed by BB LLC for the benefit of Central Pacific Bank and recorded in the Official Records of Placer County on January 11, 2008 as Instrument No. 08-0002359.
- (5) Continuing Guaranty dated as of January 10, 2008 and executed by Steven K. Brown and Candace V. Brown in their capacities as Trustees of the Steven and Candace Brown Trust pursuant to trust instrument dated January 22, 1985.
- (6) Continuing Guaranty dated as of January 10, 2008 and executed by Steven K. Brown.
- (7) Continuing Guaranty dated as of January 10, 2008 and executed by Candace V. Brown.

Second Central Bank Loan

- (8) Loan Agreement dated as of March 17, 2008 and executed by and between BB LLC and Central Pacific Bank.
- (9) Promissory Note in the original principal amount of \$937,000, dated as of March 17, 2008, executed by BB LLC for the benefit of Central Pacific Bank.
- (10) Deed of Trust dated as of March 17, 2008 executed by BB LLC as Trustor for the benefit of Central Pacific Bank and recorded in the Official Records of Placer County on March 20, 2008 as Instrument No. 08-00022484.
- (11) Absolute Assignment of Leases, Lease Guaranties, Rents, Issues and Profits executed by BB LLC for the benefit of Central Pacific Bank and recorded in the Official Records of Placer County on March 20, 2008 as Instrument No. 08-0022485.
- (12) Continuing Guaranty dated as of March 17, 2008 and executed by Steven K. Brown and Candace V. Brown in their capacities as Trustees of the Steven and Candace Brown Trust pursuant to trust instrument dated January 22, 1985.
- (13) Continuing Guaranty dated as of March 17, 2008 and executed by Steven K. Brown.
- (14) Continuing Guaranty dated as of March 17, 2008 and executed by Candace V. Brown.

Umpqua Bank Loan

- (15) Business Loan Agreement dated February 15, 2007 executed by and between Umpqua Bank and BB LLC.
- (16) Promissory Note in the original principal amount of \$2,750,000, dated February 15, 2007, executed by BB LLC in favor of Umpqua Bank.
- (17) Deed of Trust dated February 15, 2007, executed by BB LLC as Trustor, in favor of First American Title Insurance Company as trustee, for the benefit of Umpqua, and recorded in the Official Records of Placer County on March 5, 2007, as Document No. 2007-0022355-00.
- (18) Change in Terms Agreement dated June 4, 2007, between BB LLC and Umpqua Bank.
- (19) Business Loan Agreement dated June 4, 2007, between BB LLC and Umpqua Bank.
- (20) Deed of Trust dated June 4, 2007, executed by BB LLC as trustor, in favor of First American Title Insurance Company as trustee, for the benefit of Umpqua, and recorded in the Official Records of Placer County on June 8, 2007, as Document No. 2007-0057956-00.
- (21) Modification of Deed of Trust dated June 4, 2007, executed by BB LLC and recorded in the Official Records of Placer County on June 8, 2007, as Document No. 2007-0057957-00.
- (22) Modification of Deed of Trust dated March 19, 2008, executed by BB LLC and recorded in the Official Records of Placer County on March 20, 2008, as Document No. 2008-0022487-00.
- (23) Change in Terms Agreement dated March 19, 2008, between BB LLC and Umpqua.
- (24) Change in Terms Agreement dated June 12, 2008, between BB LLC and Umpqua.
- (25) Business Loan Agreement dated June 12, 2008, between BB LLC and Umpqua.
- (26) Modification of Deed of Trust dated June 12, 2008, executed by BB LLC and recorded in the Official Records of Placer County on June 23, 2008, as Document No. 2008-0051114-00.
- (27) Modification of Deed of Trust dated June 12, 2008, executed by BB LLC and recorded in the Official Records of Placer County on June 23, 2008, as Document No. 2008-0051113-00.
- (28) Commercial Security Agreement dated June 12, 2008, executed by B.B. LLC.
- (29) Modification of Deed of Trust dated August 20, 2010, executed by B.B. LLC, and recorded in the Official Records of Placer County on August 27, 2010, as Document No. 2010-0067722.
- (30) Commercial Guaranty dated February 15, 2007, executed by the trustees of The Steven and Candace Brown Trust.

- (31) Commercial Guaranty dated February 15, 2007, executed by Steven K. Brown.
- (32) Commercial Guaranty dated February 15, 2007, executed by Candace V. Brown.
- (33) Commercial Guaranty dated June 4, 2007, executed by the trustees of The Steven and Candace Brown Trust.
- (34) Commercial Guaranty dated June 4, 2008, executed by Steven K. Brown.
- (35) Commercial Guaranty dated June 4, 2008, executed by Candace V. Brown.
- (36) Commercial Guaranty dated June 12, 2008, executed by the trustees of The Steven and Candace Brown Trust.
- (37) Commercial Guaranty dated June 12, 2008, executed by Steven K. Brown.
- (38) Commercial Guaranty dated June 12, 2008, executed by Candace V. Brown.

Redevelopment Agency Predevelopment Loan

- (39) Predevelopment Loan Agreement dated as of June 19, 2008, and executed by and between BB LLC and the Redevelopment Agency.
- (40) Secured Promissory Note in the original principal amount of \$500,000, dated as of June 19, 2008, executed by BB LLC for the benefit of the Redevelopment Agency.
- (41) Deed of Trust dated as of June 19, 2008, executed by BB LLC as Trustor for the benefit of the Redevelopment Agency and recorded in the Official Records of Placer County on June 20, 2008 as Instrument No. 2008-0050418-00.

Exhibit C-1

ASSIGNED CONTRACTS

(List contracts to be assumed by Successor Agency – Section 2 (d).)

Exhibit C-2

LICENSES AND PERMITS

(List Licenses and Permits to be assigned to Successor Agency – Section 2(e).)

Exhibit C-3

PERSONAL PROPERTY

(List personal property to be conveyed to Successor Agency – Section 2(f).)

Exhibit D

PERMITTED EXCEPTIONS
(List permitted title exceptions – Section 4.1.)

Exhibit E

FORM OF COVENANT NOT TO SUE

THIS COVENANT NOT TO SUE (this "**Covenant**") is made as of _____, 2014, by and among B.B. LLC, a California limited liability company (hereafter referred to as "**Borrower**" or "**BB LLC**"), the Successor Agency to the Placer County Redevelopment Agency, a public entity ("**Successor Agency**"), and Steven K. Brown (both in his individual capacity and in his capacity as co-trustee of the Steven and Candace Brown Trust, hereafter referred to as "**Steven Brown**") and Candace V. Brown (both in her individual capacity and in her capacity as co-trustee of the Steven and Candace Brown Trust, hereafter referred to as "**Candace Brown**"). Steven Brown and Candace Brown are referred to collectively herein as the "**Guarantors**." Borrower, Successor Agency and the Guarantors are collectively referred to herein as the "**Parties**." Capitalized terms used but not defined in this Covenant shall have the meanings ascribed to such terms in the Agreement (defined in Recital C below).

RECITALS

A. Successor Agency is the holder of four (4) promissory notes evidencing Loans made to Borrower that are secured by, among other things, the Property.

B. One or more events of default have occurred under the Loan Documents (collectively, "**Default**") that entitle Successor Agency to exercise its rights and remedies under the Loan Documents, including without limitation, accelerating the Loans.

C. Pursuant to that certain Deed in Lieu of Foreclosure Agreement dated as of _____, 2014, executed by Borrower, Guarantors, and Successor Agency (the "**Agreement**"), Borrower has agreed to convey the Property to Successor Agency as consideration for Successor Agency not foreclosing its security interest in the Property or exercising its other remedies under the Loan Documents against Borrower or the Guarantors as a result of the Default.

D. In connection with the closing of the transaction contemplated by the Agreement, subject to the terms and conditions set forth in this Covenant, Successor Agency has agreed not to sue Borrower or Guarantors in connection with the Loans or under the Loan Documents to collect sums payable under the Loan Documents, including the Guaranty Agreements.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Successor Agency agrees as follows:

1. Covenant Not to Sue. Subject to Section 2 below, Successor Agency, for itself and its successors and assigns, covenants not to sue Borrower or the Guarantors, or their respective members, officers, representatives, successors and assigns, regardless of whether such suit would be in law, in equity, or otherwise, in connection

with the Loans or the Loan Documents, including the Guaranty Agreements, provided however that: (a) the Loans and the Loan Documents are not cancelled, discharged, terminated, or deemed paid; (b) the Successor Agency reserves all of its rights and remedies under the Loan Documents and applicable law in, to, and against the collateral described in the Loan Documents (including the Property), including the right to continue or commence any action (including without limitation, a judicial or nonjudicial foreclosure action against any junior creditor) that Successor Agency considers necessary or desirable to protect or enforce its rights in and to such collateral, and may maintain or join Borrower as a party thereto for such purpose (although Successor Agency covenants not to enforce any *in personam* judgment obtained by Successor Agency against Borrower in any such action); and (c) Successor Agency reserves the right to implead Borrower and the Guarantors in any action in which a claim is made against Successor Agency in connection with the Loans, under the Loan Documents, or with respect to the collateral described therein (including the Property), including Successor Agency's right to contribution and indemnity against Borrower and Guarantor in any such action.

2. Reinstatement. If any court of competent jurisdiction shall at any time cancel, void, nullify, rescind, or set aside any payment or transfer made to Successor Agency pursuant to the Agreement (including without limitation, the conveyance of the Property) for any reason whatsoever and shall require, whether by order, judgment, declaration, or otherwise, Successor Agency to repay or retransfer all or any part thereof to Borrower or Guarantors or to any trustee, receiver, or custodian thereof, then, notwithstanding any rule of law or equity or agreement of the Parties to the contrary, and without any notice or action by Successor Agency or any other party: (a) all documents and instruments executed and delivered pursuant to the Agreement, including this Covenant, shall be void ab initio; (b) the Loan Documents shall continue in full force and effect with regard to the individual liability of Borrower and the Guarantors; and (c) Successor Agency shall be entitled to enforce its rights and remedies with respect to all obligations and liabilities of Borrower and the Guarantors owed or owing to Successor Agency as though this Covenant had not been executed, whether under the Agreement, the Loan Documents, or otherwise.

This Covenant shall terminate of its own accord in the event that the Closing does not occur by the Outside Closing Date, unless the Parties agree to an extension or alternative course of action pursuant to Section 5.2 of the Agreement.

3. Certain Obligations Not Affected. This Covenant shall not in any manner release, discharge, impair, or otherwise affect the obligations of Borrower or the Guarantors under any environmental indemnity agreements delivered in connection with the Loans, the Agreement itself, or any of the documents or instruments executed and delivered pursuant to the Agreement, and Successor Agency reserves each and every claim, cause of action, and all other rights and remedies Successor Agency may now or hereafter have thereunder or with respect thereto.

4. No Covenant Not to Sue Third Parties. This Covenant shall not in any manner release or discharge any other party that is or may be liable to Successor Agency in connection with the Loans, the Loan Documents, the Property, or otherwise, and Successor Agency reserves each and every claim, cause of action, and all other rights and remedies Successor Agency may now or hereafter have against any such third party with respect thereto (including any such claim, cause of action, or other rights against any tenant of the Property).

5. Miscellaneous.

5.1 Notices. All notices required or permitted to be given hereunder shall be in writing and mailed postage prepaid by certified or registered mail, return receipt requested, or delivered by personal delivery, or by recognized overnight courier, to the appropriate address indicated below or at such other place or places as a Party may, from time to time, designate in a written notice given to the other Parties. Notices shall be deemed delivered three (3) days after the date of mailing thereof, or upon personal delivery, or upon delivery by overnight courier.

To Borrower: B.B. LLC

Attention: _____

To Guarantors: Steven Brown and Candace Brown

To Successor Agency: Placer County Successor Agency
175 Fulweiler Avenue
Auburn, CA 95603
Attention: _____

5.2 Successors and Assigns. This Covenant shall be binding upon and inure to the benefit of the Parties, and their successors, heirs, and assigns.

5.3 Litigation Costs. If any Party commences an action against another Party to enforce any of the terms hereof or because of the breach by any Party of any of the terms hereof, the Prevailing Party (as hereinafter defined) in such action shall be entitled to recover its attorneys' fees and costs and expenses incurred in connection with the prosecution or defense of such action, including any appeal thereof, in addition to all other relief. "Prevailing Party" within the meaning of this Section 5.3 shall include, without limitation, a Party who brings an action against another Party for sums allegedly due or

performance of covenants allegedly breached and obtains substantially the relief sought by it in the action. This Section 5.3 shall survive the recordation of the Deeds and the termination of this Covenant, and shall inure to the benefit of the successors and assigns of the Parties.

5.4 Integration. This Covenant, and the agreements and documents referred to herein set forth the entire agreement and understanding of the Parties with respect to the subject matter hereof. The only consideration for the execution of this Covenant is the consideration expressly recited herein and in the Agreement. No other promise or agreement of any kind or nature has been made to or with the Parties by any person or entity whatsoever to cause them to sign this Covenant.

5.5 Amendment. This Covenant may not be amended or modified except by a written instrument executed by an authorized representative of each Party.

5.6 Governing Law. This Covenant shall be governed by and construed in accordance with the laws of the State of California.

5.7 Severability. If any term or provision of this Covenant shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Covenant shall not be affected thereby.

5.8 Waivers. No waiver or breach of any covenant or provision herein contained shall be deemed a waiver of any other covenant or provision herein contained, and no waiver shall be valid unless in writing and executed by the waiving party. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.

5.9 Construction. The section titles in this Covenant are used for convenience only and are not to be used to interpret this Covenant. The singular form shall include the plural and the masculine shall include the feminine and vice versa. This Covenant shall not be construed as if it had been prepared by one of the Parties, but rather as if all Parties have prepared the same. All exhibits referred to in this Covenant are attached hereto and incorporated into this Covenant by this reference.

5.10 Survival. The terms, covenants, representations, and warranties of this Covenant shall not merge into the Deeds but shall survive the close of the transaction contemplated by the Agreement.

5.11 No Partnership. Nothing contained in this Covenant or in any of the documents executed in connection herewith is intended to or shall be deemed to create a partnership, joint venture, or any fiduciary relationship among the Parties.

5.12 Counterparts. This Covenant may be executed in one or more counterparts, each of which shall be deemed an original, and all of such counterparts, taken together, shall constitute one and the same instrument.

SIGNATURES ON FOLLOWING PAGES.

IN WITNESS WHEREOF, Borrower, Guarantor, and Successor Agency have executed this Covenant Not to Sue as of the date first written above.

BORROWER:

B.B. LLC, a California limited liability company

By: The Steven and Candace Brown Trust
under Trust Agreement executed on March 7, 1979

Its: Sole Member and Manager

By: _____
Steven K. Brown, Co-Trustee, The Steven and Candace Brown Trust

By: _____
Candace V. Brown, Co-Trustee, The Steven and Candace Brown Trust

GUARANTORS:

Steven K. Brown, in his individual capacity

Steven K. Brown in his capacity as trustee of the Candace and Steven Brown Trust

Candace V. Brown, in her individual capacity

Candace V. Brown in her capacity as trustee of the Candace and Steven Brown Trust

SUCCESSOR AGENCY:

Successor Agency to the Placer County Redevelopment Agency

By: _____

Print Name: _____

Title: _____

Attest: _____

Approved as to form: _____

Exhibit F

FORM OF DEED IN LIEU WITH ESTOPPEL

Recording Requested by
and when Recorded, return to:

Placer County Successor Agency
175 Fulweiler Ave.
Auburn, CA 95603
Attn: _____

EXEMPT FROM RECORDING FEES PER
GOVERNMENT CODE §§6103, 27383

Space above this line for Recorder's Use.

The Undersigned Grantor Declares:
Grantee [is/was] the Foreclosing Beneficiary

Consideration \$ _____; Amount of Unpaid Debt \$ _____

Non-Exempt Amount \$ _____

Documentary Transfer Tax \$ _____ City Transfer Tax: N/A

- ☐ computed on the consideration or full value of property conveyed, OR
☐ computed on the consideration or full value less value of liens and/or
encumbrances remaining at time of sale
☒ unincorporated area

DEED IN LIEU OF FORECLOSURE

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
B.B. LLC, a California limited liability company ("**Grantor**") hereby GRANTS to the
Successor Agency to the Placer County Redevelopment Agency, a public entity
("**Grantee**"), the real property in Kings Beach, Placer County, State of California,
described as follows (the "**Property**"):

SEE LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT A.

This Deed is an absolute conveyance. Grantor has sold the Property to Grantee
for fair and adequate consideration, such consideration being reasonably equivalent
value and, in addition to the consideration recited above, being the agreement by
Grantee as the beneficiary under that certain Deed of Trust recorded in the Official
Records of Placer County, California, on 20__, as Instrument No. _____ (the
"**Deed of Trust**") to not foreclose on the Deed of Trust, and the agreement by Grantee
to enter into that certain unrecorded Covenant Not to Sue executed as of

_____, 2014 by and among Grantor, Grantee, Steven K. Brown and Candace V. Brown (the "**Covenant**").

Grantor and Grantee acknowledge and agree that the beneficial interest of Beneficiary in the Property pursuant to the Deed of Trust shall not merge with the fee interest of Grantee in the Property pursuant to this Deed in Lieu of Foreclosure and that such interests shall be and remain at all times separate and distinct.

Grantor declares that this conveyance is freely and fairly made and that there are no agreements, oral or written with respect to the conveyance of the Property to Grantee other than this Deed in Lieu of Foreclosure, the Estoppel Affidavit attached hereto as Exhibit B, the Covenant, and that certain unrecorded Deed in Lieu of Foreclosure Agreement dated as of _____, 2014 and executed by and among Grantor, Grantee, Steven K. Brown and Candace V. Brown.

GRANTOR:

Date: _____, 2014

B.B. LLC, a California limited liability company

By: The Steven and Candace Brown Trust
under Trust Agreement executed on March 7, 1979

Its: Sole Member and Manager

By: _____
Steven K. Brown, Co-Trustee, The Steven and Candace Brown Trust

By: _____
Candace V. Brown, Co-Trustee, The Steven and Candace Brown Trust

State of California)
)
County of Placer)

On _____, 20__, before me, _____, Notary Public,
personally appeared _____, who proved to me on the
basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to
the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

State of California)
)
County of Placer)

On _____, 20__, before me, _____, Notary Public,
personally appeared _____, who proved to me on the
basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to
the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

Exhibit A

PROPERTY

(Attach legal description.)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Deed in Lieu of Foreclosure dated [REDACTED] 2014 (the "**Deed in Lieu**"), executed by B.B. LLC, a California limited liability company ("**Grantor**") to the Successor Agency to the Placer County Redevelopment Agency ("**Grantee**"), is hereby accepted on behalf of the Grantee by its [REDACTED] pursuant to authority conferred by Resolution No. [REDACTED], adopted by the Board of Supervisors of the County of Placer acting as the governing board of the Grantee on [REDACTED] 2014, and that the Grantee consents to recordation of the Deed in Lieu by its duly authorized officer.

Dated _____, 2014

By: _____

Print Name: _____

Title: _____

ATTEST:

By: _____

APPROVED AS TO FORM:

By: _____

Exhibit B to Deed In Lieu of Foreclosure

ESTOPPEL AFFIDAVIT

State of California)
)
County of Placer)

The undersigned, Steven K. Brown and Candace V. Brown ("**Affiants**"), hereby state and affirm as follows:

(i) The Steven and Candace Brown Trust, under Trust Agreement executed on March 7, 1979 (the "**Trust**"), is the sole member and manager of B.B. LLC, a California limited liability company ("**BB LLC**"), which as Grantor, made, executed and delivered that certain Deed in Lieu of Foreclosure to the Successor Agency to the Placer County Redevelopment Agency, a public entity ("**Grantee**"), on _____, 2014 (the "**Deed**"), conveying the real property in Kings Beach, County of Placer, State of California, described as follows (the "**Property**");

SEE LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT ____.

(ii) The Affiants are the Co-Trustees of the Trust and in that capacity collectively have the authority to act on behalf of, and bind, the Trust and BB LLC.

(iii) The Deed is intended to be, and is, an absolute conveyance of fee title of the Property to Grantee, and was not, and is not now, intended as a mortgage, trust conveyance, or security of any kind;

(iv) It was Affiants' and Grantor's intention, as grantor in the Deed, to convey, and by the Deed Grantor did convey, to Grantee all of Grantor's right, title, and interest absolutely in and to the Property;

(v) Possession of the Property has been surrendered to Grantee;

(vi) In the execution and delivery of the Deed: neither the Affiants nor Grantor were acting under any misapprehension with regard to the effect of the Deed; each acted freely and voluntarily, and were not acting under coercion or duress;

(vi) The consideration for the Deed was, and is, the agreement by Grantee to not foreclose on that certain Deed of Trust executed by Grantor, dated as of _____, 20__ and recorded as Instrument No. _____ in Placer County Records, and the agreement by Grantee to enter into a Covenant Not to Sue agreement (collectively, the "**Consideration**");

(vii) At the time of the execution and delivery of the Deed, Affiants, as Co-Trustees of Grantor's sole member and manager, believed, and now believe, that the Consideration represents the fair value of the Property;

(viii) This Estoppel Affidavit is made for the protection and benefit of Grantee and its successors and assigns, and all other parties hereafter dealing with, or who may hereafter acquire an interest in, the Property, and particularly for the benefit of Placer Title Company which is about to insure title to the Property in reliance thereon, and any other title company that may hereafter insure title to the Property;

(ix) Affiants will testify, declare, depose, or certify under penalty of perjury, before any competent tribunal, officer, or person, in any case now pending or that may hereafter be instituted, to the truth of the particular facts set forth in this Estoppel Affidavit; and

Affiants hereby execute this Estoppel Affidavit as of _____, 2014, as individuals and also for and on behalf of Grantor.

AFFIANTS:

Steven K. Brown, in his individual capacity
and as Co-Trustee of the Steven and Candace Brown Trust

Candace V. Brown, in her individual capacity
and as Co-Trustee of the Steven and Candace Brown Trust

State of California)
County of Placer)

On _____, 20__, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

State of California)
County of Placer)

On _____, 20__, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

